

Chapter 54, P.L. 2002

(Approved August 3, 2002)

SENATE, No. 1553

STATE OF NEW JERSEY

210th LEGISLATURE

INTRODUCED MAY 30, 2002

Sponsored by:

Senator GARRY J. FURNARI

District 36 (Bergen, Essex and Passaic)

Senator WILLIAM L. GORMLEY

District 2 (Atlantic)

Co-Sponsored by:

Senators Adler and Charles

SYNOPSIS

Allows JRS member to reduce retirement allowance
to provide survivor benefit.

CURRENT VERSION OF TEXT

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As introduced.

AN ACT concerning the provision of a survivor benefit in the Judicial Retirement System and supplementing P.L.1973, c.140 (C.43:6A-1 et seq.).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. At the time of retirement, a member of the Judicial Retirement System, established pursuant to P.L.1973, c.140 (C.43:6A-1 et seq.), shall receive benefits in a retirement allowance payable throughout life, or the member may, on retirement, elect to receive the actuarial equivalent of the member's retirement allowance, in a lesser retirement allowance payable throughout life, with the provision that:

Option 1. If the member dies before the member has received in payments the present value of the retirement allowance as it was at the time of retirement, the balance shall be paid to a legal representative or to such person as the member shall nominate by written designation acknowledged and filed with the retirement system, either in a lump sum or by equal payments over a period of years at the option of the payee. If the member shall have designated a natural person as the payee, the payee may elect to receive such payments in the form of a life annuity.

Option 2. Upon the member's death, the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 3. Upon the member's death, one-half of the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 4. Some other benefit or benefits shall be paid either to the

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member or to whomever the member nominates, if such other benefit or benefits, together with the lesser retirement allowance, shall be certified by the actuary to be of equivalent actuarial value. In no case, however, shall the lesser retirement allowance be smaller than that provided under Option 2.

Option 5. Some other benefit, which is equivalent to the full amount, three-quarters, one-half or one-quarter of the member's retirement allowance, shall be paid to whomever the member nominates and if that nominee dies before the member, the member's retirement allowance shall increase to the maximum retirement allowance for the member's lifetime, provided that such other benefit together with the member's lesser and maximum retirement allowances shall be certified by the actuary to be of equivalent actuarial value.

If the total amount of benefits paid to a retirant who does not elect to receive benefits in the form of an optional settlement, or to the retirant and the designated beneficiary in the case of a retirant who does so elect, before the death of the retirant or the retirant and the beneficiary is less than the deductions accumulated in the retirant's account at the time of retirement, including regular interest, the balance shall be paid in one lump sum to the retirant's designated beneficiary or estate in the manner provided in section 16 of P.L.1973, c.140 (C.43:6A-16).

Except in the case of members who have elected to receive (1) a deferred retirement allowance pursuant to section 11 of P.L.1973, c.140 (C.43:6A-11) or (2) early retirement allowances pursuant to section 10 of P.L.1973, c.140 (C.43:6A-10) after separation from service pursuant to section 11, if a member dies within 30 days after the date of retirement or the date of approval by the State House Commission, whichever is later, the member's retirement allowance shall not become effective and the member shall be considered an active member at the time of death. However, if the member dies after the date the application for retirement was filed with the system, the retirement shall become effective if:

- a. The deceased member had designated a beneficiary under an optional settlement provided by this section; and

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b. The surviving beneficiary requests in writing that the State House Commission make such a selection. Upon formal action by the commission approving that request, the request shall be irrevocable.

The commission may select an Option 3 settlement, on behalf of the beneficiary of a member who applied for and was eligible for retirement but who died prior to the effective date of the retirement allowance, if all of the above conditions, with the exception of a., are met.

Nothing in this act, P.L. , c. (C.) (now pending before the Legislature as this bill), shall affect the payment of the survivor benefits under section 18 of P.L.1973, c. (C.43:6A-18).

2. Whenever a member of the Judicial Retirement System elects a retirement allowance which is payable for the life of the member only and terminating at the member's death, without refund of any kind to the member's spouse, the member shall be required, before electing that benefit, to sign a form stating that the member has elected that benefit, that the member understands that it is payable during the member's lifetime only and that no benefits will be payable to the member's spouse after death, other than the survivor benefits provided by section 18 of P.L.1973, c.140 (C.43:6A-18) and any applicable life insurance benefits.

The Division of Pensions and Benefits in the Department of the Treasury shall notify the member's spouse if the member identifies the spouse on the form. Notification shall be by certified mail to the spouse's address as provided on the form by the member. If the member has not provided an address for the spouse on the form, the division shall send the notice, by certified mail, to the spouse at the member's address. The notice shall advise the spouse that the retirement benefit chosen by the member is payable during the member's lifetime only and that no benefits, other than the survivor benefits provided by section 18 of P.L.1973, c.140 (C.43:6A-18) and any applicable life insurance benefits, shall be payable to the beneficiary after the member's death.

3. A retired justice of the Supreme Court, judge of the Superior Court

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or judge of the Tax Court, on the effective date of this act, P.L. , c. (C) (now pending before the Legislature as this bill), may elect an optional settlement as authorized in section 1 of this act, applicable to the retirement allowance payable after the effective date of the optional settlement, if the retired justice or judge applies for an optional settlement in accordance with the procedures established by the Division of Pensions and Benefits within six months of the effective date of this act.

4. This act shall take effect on the 30th day after enactment.